

SULAIMANLAW GROUP
Alexander J. Taylor
2500 South Highland Ave
Suite 200
Lombard, Illinois 60148
Telephone: 331-307-7646
Facsimile: 630-575-8188
Email: ataylor@sulaimanlaw.com
Attorney for the Plaintiff

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION**

CARLOS R. BARRIOS,
Plaintiff,

v.

GE CREDIT SOLUTIONS, LLC
Defendant.

| Case No.

COMPLAINT FOR DAMAGES

1. VIOLATION OF THE CREDIT REPAIR ORGANIZATIONS ACT, 15 U.S.C. §1679 *ET SEQ.*
 2. VIOLATION OF THE CALIFORNIA CREDIT SERVICES ORGANIZATIONS ACT, CAL. CIV. CODE §1789.10 *ET SEQ.*

JURY TRIAL DEMANDED

COMPLAINT

NOW COMES Carlos R. Barrios (“Plaintiff”), by and through his undersigned attorney, complaining as to the conduct of GE Credit Solutions LLC (“GE” or “Defendant”) as follows:

NATURE OF THE ACTION

1. Plaintiff brings this action seeking redress for Defendants' violations of the Credit Repair Organizations Act ("CROA") pursuant to 15 U.S.C. §1679 *et seq.*, and the California Credit Services Organizations Act ("CCSOA") pursuant to Cal. Civ. Code §1789.10 *et seq.*

JURISDICTION AND VENUE

2. Subject matter jurisdiction is conferred upon this Court by the CROA, and 28 U.S.C. §§1331 and 1337, as the action arises under the laws of the United States.

3. This Court has supplemental jurisdiction over Plaintiff's state law claim pursuant to 28 U.S.C. §1337(a).

4. Venue is proper in this Court pursuant to 28 U.S.C. §1391 as Plaintiff resides in the Eastern District of California and all of the events or omissions giving rise to the claims occurred in the Eastern District of California.

PARTIES

5. Plaintiff is a consumer, and a natural person over 18-years-of-age who, at all times relevant, resides in the Eastern District of California.

6. Defendant is a credit repair organization that claims in its contract to “help [consumers] increase their credit scores.” Defendant is a professional corporation that maintains its principal place of business at 400 N. Ervay Street, Suite 130534, Dallas, TX 75313.

7. Defendant acted through its agents, employees, officers, members, directors,

1 heirs, successors, assigns, principals, trustees, sureties, subrogees, representatives
2 and insurers at all times relevant to the instant action.
3

4 **FACTS SUPPORTING CAUSE OF ACTION**

5 8. In March 2022, Plaintiff had a number of debts which were impacting his
6 credit, prompting him to begin looking for companies who may be able to assist him
7 in improving his credit and resolving his obligations.
8

9 9. After diligent research, Plaintiff happened upon Defendant due to its
10 representations that it could help consumers improve their creditworthiness.
11

12 10. As such, Plaintiff spoke with a representative of Defendant who advised
13 Plaintiff that it would be able to remove negative information from his credit profile
14 with each of the major credit reporting agencies.
15

16 11. It was further represented to Plaintiff that, following his successful completion
17 of Defendant's program and after paying all necessary fees for Defendant's services,
18 Defendant would be able to provide additional credit services designed to further
19 improve Plaintiff's credit history and creditworthiness.
20

21 12. On March 21, 2022, Plaintiff entered into an agreement in connection with
22 Defendant's credit repair services. The agreement stated that Plaintiff will be
23 responsible for paying a sum of \$500 to Defendant as an initial service fee.
24

25 13. After months of attempting to contact Defendant regarding its services being
26 rendered to no avail, Defendant finally contacted Plaintiff in June 2022 and stated
27 that it would be able to remove negative items impacting Plaintiff's credit files for an
28

1 additional fee of \$150.

2 14. Despite paying the additional \$150 fee to delete a trade line, Plaintiff
3 discovered that Defendant failed to do so and did not make any progress in relation
4 to improving Plaintiff's creditworthiness.

5 15. After months of not contacting Plaintiff, Defendant failed to correct any of the
6 inaccurate information which he wanted addressed through Defendant's dispute
7 process, none of the inaccurate information had been removed from Plaintiff's credit
8 reports.

9 16. Relying upon Defendant's representations regarding the nature and efficacy of
10 its services, Plaintiff received a threat of a lawsuit by two of the creditors reporting
11 on his consumer credit files.

12 17. Plaintiff ended up settling with the two creditors to avoid a lawsuit against him.

13 18. Eventually, after making payments to Defendant, Plaintiff became extremely
14 frustrated and distressed that he had been making payments yet not seeing any results
15 on the part of Defendant.

16 19. Defendant's failure to sufficiently get any of the inaccurate information
17 removed from Plaintiff's credit reports underscores the generally deceptive manner
18 in which Defendant held out the efficacy of its services to Plaintiff.

19 20. Furthermore, it was deceptive for Defendant to represent the effectiveness of
20 its services given that the credit reporting agencies are under no obligation to respond
21 to the disputes submitted by Defendant or Credit Repair Organizations in general.

21. Pursuant to 12 C.R.F. §1022.43(b)(2), the credit reporting agencies are under no obligation to respond to disputes submitted by credit repair organizations like Defendant.

22. As such, Defendant misrepresented the nature of its services and that the credit reporting agencies would be obligated to respond to Defendant's disputes in a manner triggering the credit reporting agencies' investigatory obligations.

23. Even more, Defendant explicitly guaranteed results that Plaintiff remove older trade lines from his credit reports yet failed to do so.

24. Ultimately, due to the fact that no positive changes occurred to Plaintiff's credit files, Plaintiff terminated his services with Defendant.

25. Following Plaintiff's termination of his relationship with Defendant, Plaintiff spent months attempting to dig himself out of the hole created by Defendant's deficient provision of credit repair services.

DAMAGES

26. Plaintiff suffered severe emotional distress, as well as significant out of pocket expenses and persistently depressed credit scores as a result of Defendant's deceptive and misleading conduct.

27. Frustrated, distressed, and concerned over Defendant's conduct, Plaintiff spoke with the undersigned regarding his rights.

28. Plaintiff has suffered concrete harm as a result of Defendant's actions, including but not limited to, emotional distress, aggravation, mental anguish, lost

1 time, out of pocket expenses, pecuniary loss stemming from the payments made to
2 Defendant, denial of the benefit of his bargain, making payments to Defendant after
3 relying on false and deceptive representations, as well as numerous violations of his
4 federally protected interests to be free from deceptive and misleading conduct on the
5 part of purported credit repair organizations.
6

7 **COUNT I - VIOLATIONS OF THE CREDIT REPAIR ORGANIZATIONS ACT**

8 29. Plaintiff repeat and reallege paragraphs 1 through 28 as though fully set forth
9 herein.

10 30. Plaintiff is a “consumer” as defined by 15 U.S.C. §1679a(1) of the CROA.

11 31. Defendant is a “credit repair organization” as defined by §1679a(3) of the
12 CROA, as it is a person who uses any instrumentality of interstate commerce or the
13 mails to sell, provide, or perform any service, in return for the payment of money or
14 other valuable consideration, for the express or implied purpose of improving a
15 consumer’s credit, credit history, or credit rating, or providing assistance to any
16 consumer with regard to any activity or service for the purpose of improving a
17 consumer’s credit.

18 **a. Violations of CROA §1679b(a)**

19 32. The CROA, pursuant to 15 U.S.C. §1679b(a)(3) prohibits any person from
20 “mak[ing] or us[ing] any untrue or misleading representation of the services of the
21 credit repair organization.” Additionally, pursuant to 15 U.S.C. §1679b(a)(4), any
22 person is prohibited from “engag[ing], directly or indirectly, in any act, practice, or

1 course of business that constitutes or results in the commission of, or an attempt to
2 commit, a fraud or deception on any person in connection with the offer or sale of
3 the services of the credit repair organization.”
4

5 33. Defendant violated the above referenced provisions of the CROA through its
6 misrepresentations and deception as to the nature of the credit repair services it could
7 provide Plaintiff. In order to get Plaintiff to agree to utilize Defendant’s services,
8 Defendant touted the efficacy of its credit repair services and that Plaintiff could
9 expect an improved credit score as long as he made payments for its services. Plaintiff
10 made his such payments; however, Defendant failed to improve Plaintiff’s credit.
11

12 34. Further, Defendant violated the CROA when it deceptively represented to
13 Plaintiff that its disputes would be responded to by the credit reporting agencies.
14 Inherent with Defendant’s representations was the notion that there would be an
15 obligation for an investigation to be triggered by Defendant’s submission of a credit
16 dispute on Plaintiff’s behalf. However, pursuant to 12 C.F.R. §1022.43(b)(2), the
17 credit reporting agencies are under no obligation to respond to disputes submitted by
18 credit repair organizations like Defendant.
19

20 35. Defendant further violated the CROA through its deceptive and misleading
21 conduct surrounding the way it charges consumers. Upon information and belief,
22 Defendant charges consumers for services before fully and completely performing
23 those services in the manner they were represented, yet nevertheless attempts to
24 disclaim such conduct in its contract by saying that it does not charge consumers
25
26
27
28

1 before fully completing its services. This conduct is part of deceptive scheme where
2 Defendant seeks to insulate itself from liability under the CROA through contractual
3 language that is inherently misleading and contradictory to reality. Further,
4 Defendant knows that it is charging for consumers for ineffective services, yet will
5 seek to point to its “disputes” sent as purportedly justifying the exorbitant fees it
6 charges consumers.

9 **b. Violation of CROA §1679b(b)**

10 36. The CROA, pursuant to 15 U.S.C. §1679b(b), states that “[n]o credit repair
11 organization may charge or receive any money or other valuable consideration for
12 the performance of any service which the credit repair organization has agreed to
13 perform for any consumer before such service is fully performed.”

14 37. Defendant violated §1679b(b) as it charged and received money from Plaintiff
15 in exchange for the performance of its services before such services were fully
16 performed. Defendant has maintained Plaintiff’s payments despite failing to fully
17 perform the services justifying Defendant’s retention of such fees.

18 **WHEREFORE** Plaintiff, Carlos R. Barrios, respectfully requests that this
19 Honorable Court:

- 20 a. Declaring that the practices complained of herein are unlawful and
21 violate the aforementioned bodies of law;
- 22 b. Awarding Plaintiff actual damages to be determined at trial, as provided
23 under 15 U.S.C. § 1679g(a)(1);
- 24 c. Awarding Plaintiff punitive damages, in an amount to be determined at
25

- 1 trial, as provided under 15 U.S.C. § 1679g(a)(2)(A);
2 d. Awarding Plaintiff costs and reasonable attorney fees as provided under
3 15 U.S.C. §1679g(a)(3); and
4 e. Awarding any other relief as this Honorable Court deems just and
5 appropriate.

6

7 **COUNT II - VIOLATIONS OF THE CALIFORNIA CREDIT SERVICES**
ORGANIZATIONS ACT

8

9 38. Plaintiff restates and realleges paragraphs 1 through 37 as though fully set forth
10 herein.

11 39. Plaintiff is a “buyer” as defined by Cal. Civ. Code §1789.12(c).

12 40. Defendant is a “credit services organization” as defined by Cal. Civ. Code
13 §1789.12(a).

14

15 **a. Violation of CCSOA §1789.13**

16 41. Pursuant to §1789.13(b), a credit services organization cannot “fail to perform
17 the agreed services within six months following the date the buyer signs the contract
18 for those services.”

19 42. Defendant violated §1789.13(b) when it failed to fully perform the agreed
20 upon services within 6 months of Plaintiff agreeing to utilize its services. Defendant
21 tricked Plaintiff into making payments and still failed to completely perform the
22 agreed upon services.

23 43. The CCSOA, pursuant to Cal. Civ. Code §1789.13, provides a list of
24 prohibited conduct for credit services organizations.

1 44. Pursuant to §1789.13(g), credit services organization cannot “[m]ake or use
2 untrue or misleading representations in the offer or sale of the services of a credit
3 services organization.” Similarly, pursuant to §1789.13(h), a credit services
4 organization cannot “[e]ngage, directly or indirectly, in an act, practice, or course of
5 business that operates or would operate as a fraud or deception upon a person in
6 connection with the offer or sale of the services of a credit service organization.”
7
8

9 45. As outlined above, Defendant violated the above referenced provisions of the
10 CCSOA in much the same way it violated 15 U.S.C. §§1679b(a)(3)-(4).
11

12 **WHEREFORE**, Plaintiff Carlos R. Barrios, respectfully requests that this
13 Honorable Court enter judgment in his favor as follows:

- 14 a. Declaring that the practices complained of herein are unlawful and
15 violate the aforementioned statutes and regulations;
16 b. Awarding Plaintiff actual damages pursuant to Cal. Civ. Code
17 §1789.21(a);
18 c. Awarding Plaintiff punitive damages pursuant to Cal. Civ. Code
19 §1789.21(a);
20 d. Awarding Plaintiff's costs and reasonable attorney fees, pursuant to Cal.
21 Civ. Code §1789.21(a); and
22 e. Awarding any other relief as this Honorable Court deems just and
23 appropriate.

1 **Plaintiff demands trial by jury.**
2
3

4
5
6 Date: November 3, 2022

Respectfully submitted,

7
8
9 **Carlos R. Barrios**

10 By: /s/ Alexander J. Taylor

11
12 Alexander J. Taylor, Esq.
13 Atlas Consumer Law
14 2500 S. Highland Avenue,
15 Suite 200
16 Lombard, Illinois 60148
17 Telephone: 331-3077646
18 Facsimile: 630-575-8188
19 Email:
20 ataylor@sulaimanlaw.com

21
22
23
24
25
26
27
28